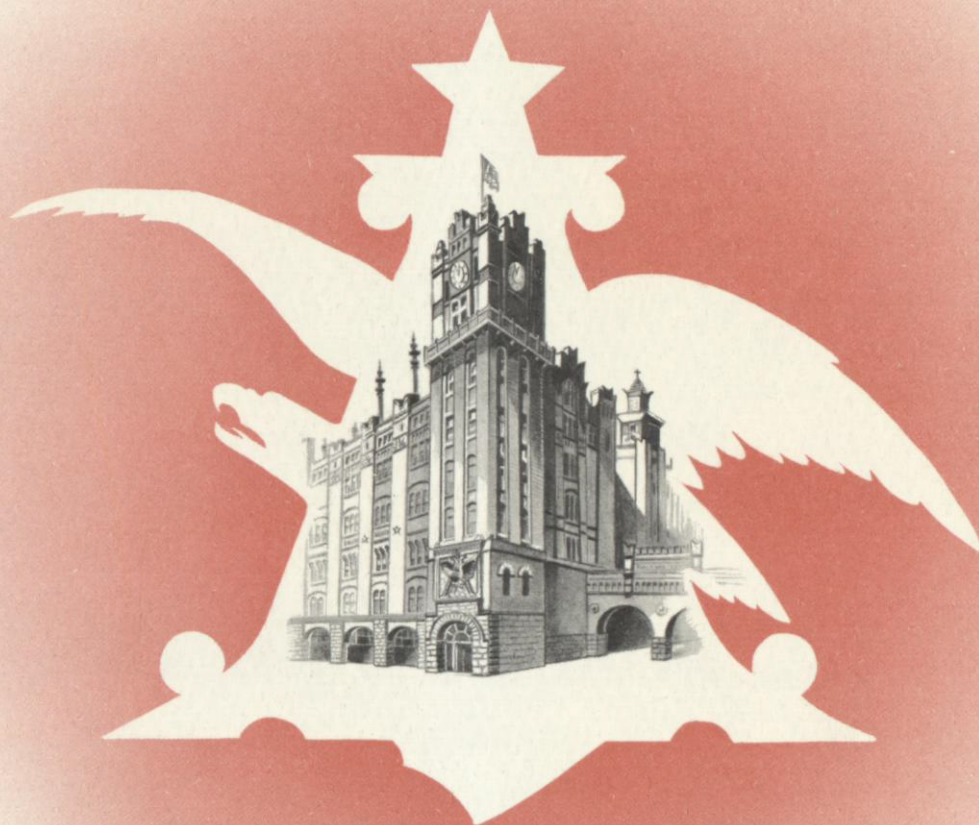


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CORPORATION FILE

# *Annual Report*

## *1949*



ANHEUSER-BUSCH, INCORPORATED

ST. LOUIS, MISSOURI





## DIRECTORS

EBERHARD ANHEUSER	L. BUSCH FAUST	GEO. A. H. MILLS
WILLIAM S. ANHEUSER	HORACE C. FLANIGAN	PERCY J. ORTHWEIN
AUGUST A. BUSCH, JR.	A. VON GONTARD	CURT H. REISINGER
DAVID R. CALHOUN, JR.	H. NORRIS LOVE	ETHAN A. H. SHEPLEY
EMMET T. CARTER	EDWARD MAGNUS	ARTHUR E. WRIGHT

## OFFICERS

EBERHARD ANHEUSER... <i>Chm. of Bd.</i>	EDWIN KALBFLEISH... <i>Comptroller</i>
AUGUST A. BUSCH, JR.... <i>President</i>	K. SIEBERT... <i>Secretary</i>
A. VON GONTARD.... <i>Vice-President</i>	O. L. LIVESAY... <i>Treasurer</i>
R. W. UPSHAW... <i>Vice-President</i>	F. H. SCHWAIGER... <i>Brewmaster</i>
L. BUSCH FAUST... <i>Vice-President</i>	C. E. EHRHARDT... <i>Asst. Compt.</i>
G. G. KINDERVATER... <i>Vice-President</i>	J. E. RITTER... <i>Asst. Secretary</i>
E. T. MOBERG... <i>Asst. Treas.</i>	

## EXECUTIVE COMMITTEE

AUGUST A. BUSCH, JR.	EBERHARD ANHEUSER	
A. VON GONTARD	DAVID R. CALHOUN, JR.	EDWARD MAGNUS

## GENERAL ADMINISTRATIVE COMMITTEE

AUGUST A. BUSCH, JR.	A. VON GONTARD	EMMET T. CARTER
EBERHARD ANHEUSER	DAVID R. CALHOUN, JR.	EDWIN KALBFLEISH

## TRANSFER AGENTS

ST. LOUIS UNION TRUST COMPANY  
323 North Broadway  
St. Louis 2, Missouri

MANUFACTURERS TRUST COMPANY  
55 Broad Street  
New York 15, New York

## REGISTRARS

MISSISSIPPI VALLEY TRUST COMPANY  
225 North Broadway  
St. Louis 2, Missouri

GUARANTY TRUST COMPANY OF NEW YORK  
140 Broadway  
New York 15, New York



# *Annual Report*

TO

## SHAREHOLDERS

ANHEUSER-BUSCH INCORPORATED  
ST. LOUIS, MISSOURI

BREWERS OF WORLD FAMOUS

**Budweiser® and Michelob®**

PRODUCERS OF

- |                         |                      |
|-------------------------|----------------------|
| ● BAKERS YEAST          | ● CORN SYRUP         |
| ● FROZEN EGGS           | ● CORN OIL           |
| ● MALT SYRUP            | ● STARCH             |
| ● PHARMACEUTICAL YEAST  | ● DEXTRINES          |
| ● BREWERS DRIED GRAINS  | ● TABLE SYRUP        |
| ● BARLEY SCREENINGS     | ● CORN GLUTEN FEED   |
| ● MALT SPROUTS          | ● CORN OIL CAKE MEAL |
| ● REFRIGERATED CABINETS |                      |





## THE PRESIDENT'S MESSAGE

TO THE SHAREHOLDERS OF  
ANHEUSER-BUSCH, INCORPORATED

It is a pleasure to address this message to our 4,429 shareholders, among whom are numbered many of our 6,852 employees.

The consolidated net income of Anheuser-Busch, Incorporated and its wholly owned subsidiary companies for the calendar year 1949 was \$14,509,752, or \$3.22 per share, versus \$13,459,808, or \$2.99 per share, in 1948.

As in the past, earnings were determined in accordance with generally accepted accounting principles approved by our accountants. Depreciation has been provided and accumulated on the basis of original cost, which amount is not adequate for replacement of facilities at current high prices.

Prudent financial policy requires the retention of a substantial portion of earnings to provide funds for the higher cost of plant replacements, expansion program, and the need to maintain a strong working capital position to finance increased business activity.

The Company was defendant in certain law suits at December 31, 1949 the ultimate outcome of which cannot be determined at this time. In the opinion of the management, recoveries, if any, under such suits will not be material.

### OPERATIONS

The continued high cost of doing business has taken its toll on profits . . . break-even points are rising and it requires an ever increasing volume of business to overcome these high costs. For example, our 1949 beer sales were 4,526,000 barrels, an increase of 12% over 1948; however, net income after taxes was \$14,509,752, an increase of only 7.8% over 1948. On \$12,455,465 additional sales, profit increased only \$1,049,944. The following brief summary of income clearly explains this condition.

	Year 1949	Year 1948	Increase
Net sales.....	\$135,304,255	\$122,848,790	\$ 12,455,465
Cost of doing business, including income taxes.....	120,794,503	109,388,982	11,405,521
Net income after taxes.....	14,509,752	13,459,808	1,049,944



Disposition of income before taxes for the year 1949 is compared with 1948:

	Year 1949	Year 1948	Increase
Net income before taxes.....	\$ 23,780,430	\$ 21,999,072	\$ 1,781,358
Per share.....	5.28	4.89	.39
Provision for taxes.....	9,270,678	8,539,264	731,414
Per share.....	2.06	1.90	.16
Net income after taxes.....	14,509,752	13,459,808	1,049,944
Per share.....	3.22	2.99	.23
Dividends paid.....	4,500,000	4,500,000	
Per share.....	1.00	1.00	
% of earnings distributed.....	31%	33%	
Amount reinvested in business.....	10,009,752	8,959,808	1,049,944
Per share.....	2.22	1.99	.23

The income retained in the business has been invested for the shareholders' benefit in the following assets:

Increase in working capital.....	\$ 7,199,104
Increase in plant property.....	1,855,419
Increase in expenditures for taxes, insurance, advertising supplies, etc. applicable to future operations.....	955,229
Total.....	<u>\$10,009,752</u>

The Company's treasury position (cash and government bonds) increased \$1,015,601 during the year, as shown by statement of funds provided and disbursed:

Funds Provided:

Collected from customers and tenants.....	\$184,257,364
Purchase discounts, interest, claims, etc.....	443,731
Proceeds from sales of residuals.....	3,846,572
Increase in trade accounts payable.....	992,943
Proceeds from sales of property.....	46,759
Total.....	<u>\$189,587,369</u>

Funds Disbursed:

For production and distribution of products.....	\$158,567,201
For administration, research, collection of rents, and employees' benefits.....	4,756,342
Income taxes paid.....	8,515,678
Increase in inventories on cost basis.....	338,793
Demolition of property, replacement of coping on Bevo building, and abandonments.....	581,389
Capital expenditures (replacements and expansion).....	11,312,365
Dividends paid.....	4,500,000
Increase in Treasury Position from \$18,624,031 to \$19,639,632.....	<u>\$ 1,015,601</u>



# **EARNINGS RECORD:**

Earnings and surplus adjustments before taxes for the 17 years (1933-1949) were \$179,778,000 and were distributed as follows:

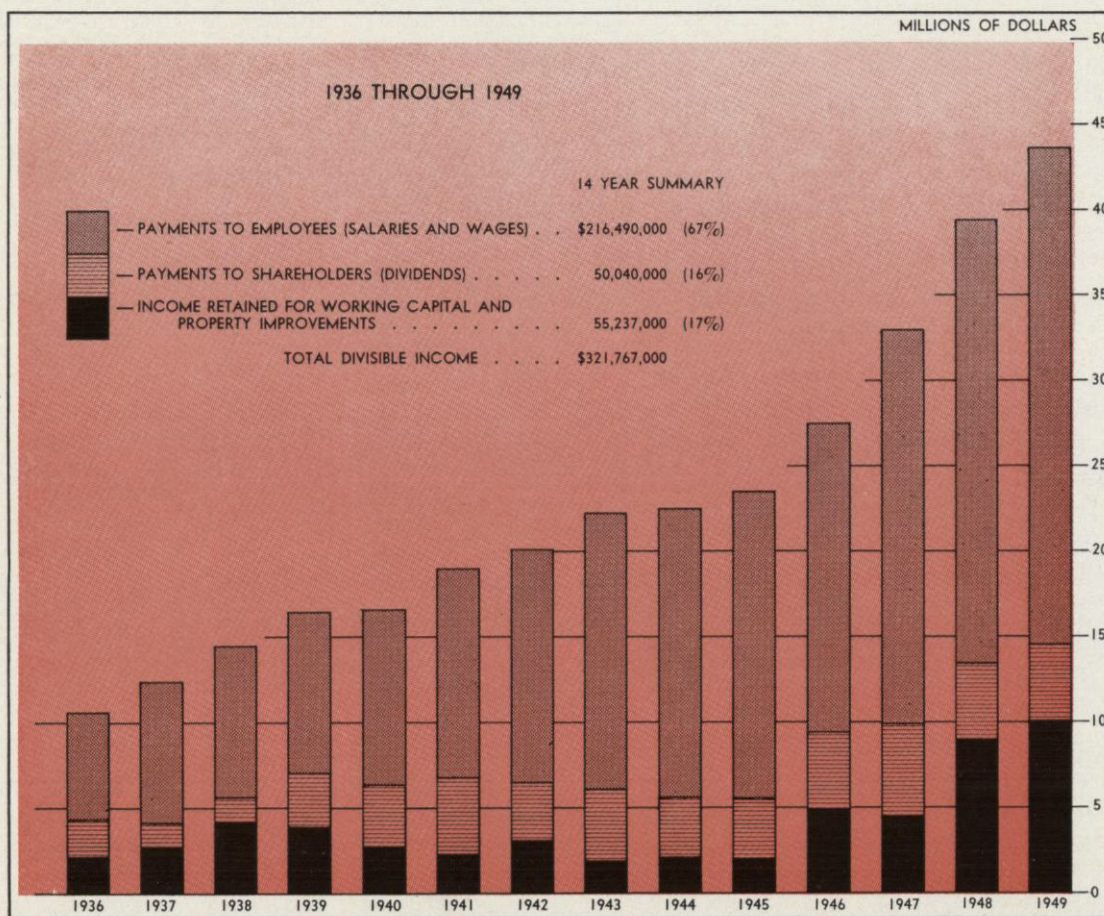
	Amount	Percentage
Income taxes.....	\$ 76,508,000	42.6%
Dividends paid.....	51,972,000	28.9%
Reinvested in:		
Working capital.....	24,297,000	28.5%
Property.....	25,040,000	
Expenses applicable to future operations..	1,961,000	
Total.....	\$179,778,000	

## **DIVISIBLE INCOME:**

Divisible income is the income remaining after payment of all costs, expenses (except salaries and wages) and income taxes. This is divided among . . .

- (1) Officers and employees in form of salaries and wages.
- (2) Shareholders, in form of dividends.
- (3) Reinvested by corporation to improve working capital and for capital expenditures (sometimes referred to as job insurance or job security).

The chart below shows graphically the distribution of \$321,767,000 divisible income earned in the period from 1936 through 1949.





#### SALES DOLLAR:

For each \$100 of revenue received by your company during 1949, \$5.28 was retained for additions and betterments to productive facilities and improvement in working capital. The remainder, \$94.72, was expended or disposed of as follows:

To employees for salaries and wages.....	\$15.40
For employees' group insurance, welfare benefits and retirement income. ....	.86
To farmers and industries for materials and supplies.....	34.30
To railroads and trucking companies for transportation.....	3.87
To government for taxes.....	28.67
For preservation and restoration of property (depreciation and repairs). ....	2.70
For all other costs and expenses.....	6.55
To shareholders in dividends.....	2.37

#### TAXES:

The American people are still paying war-time rates of taxation on beer and many other items to both Federal and State governments, and some states raised beer taxes in 1949.

Taxes continue to be a very important item. In addition to many hidden taxes included in materials and services purchased, the amount of which is indeterminable, your Company's tax bill for the year 1949 was \$54,327,155, which is equivalent to \$12.07 per share. Direct taxes for the year were:

##### Federal:

Beer taxes.....	\$35,995,436
Income taxes.....	8,949,984
F. O. A. B. and unemployment.....	276,963
Total.....	<u>\$45,222,383</u>

##### State and Local:

Beer taxes.....	\$ 7,876,685
Income and franchise taxes.....	368,452
Property and business taxes.....	639,930
Unemployment.....	219,705
Total.....	<u>\$19,104,772</u>

#### PROPERTY:

During the year, by authority of the Board of Directors, property remaining from January 1, 1919 was restated at cost; this explains the elimination from the balance sheet of the \$4,777,663 surplus arising from appreciation. The adjustment increased earned surplus account by \$1,787,719 as shown in summary of consolidated surplus.

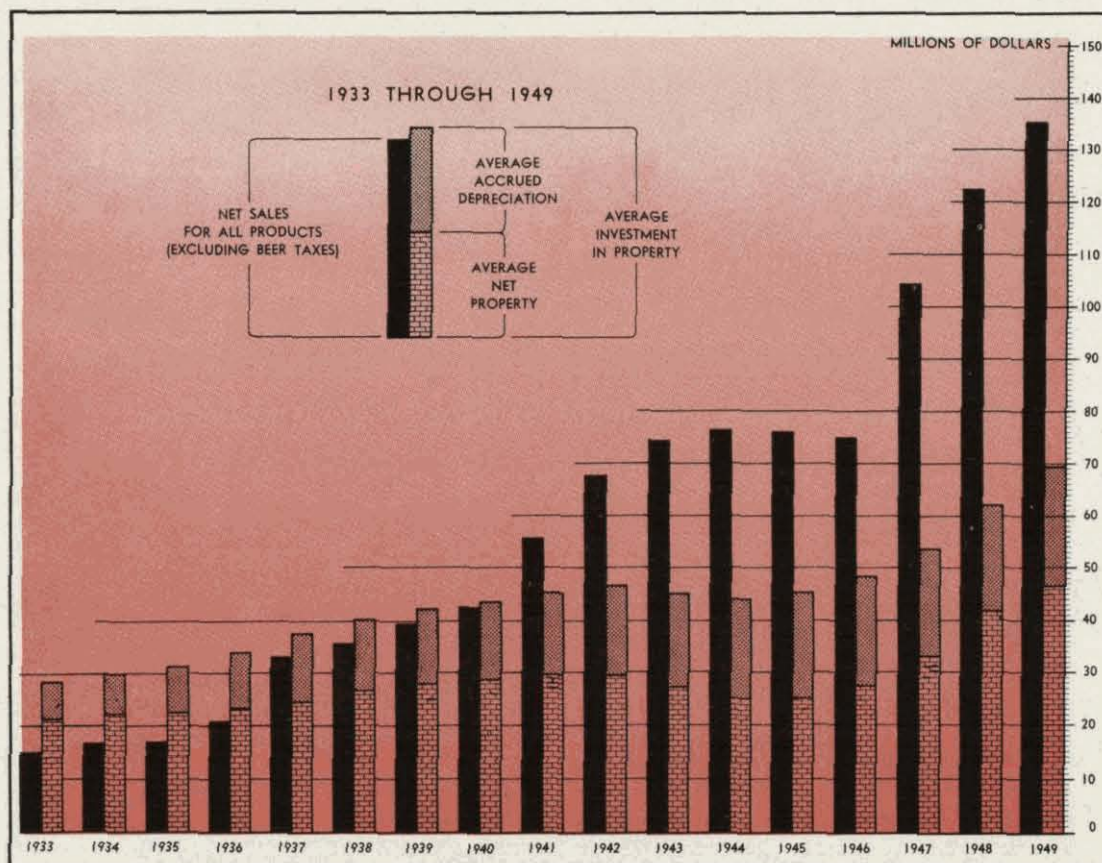


The year 1949 saw the completion of the second phase of the beer expansion. Replacement of old wooden and steel tanks with glass-lined tanks in 1950 will add 260,000 barrels to our capacity on an annual basis.

Since the return of beer in 1933, the Company has expended \$65,838,000 for rehabilitation, expansion and modernization, of which \$33,445,000 was provided by depreciation, and the remainder from earnings . . . the additions, by periods, were:

	.....In Thousands of Dollars.....			
	Total	Plant	Cooperage and Drums	Wood Cases
1933 thru 1939.....	\$17,539	\$13,230	\$ 4,309	
1940 and 1941.....	6,039	3,681	2,247	\$ 111
1942 thru 1945.....	8,763	5,083	1,030	2,650
1946.....	5,331	3,640	1,691	
1947.....	9,502	6,560	2,942	
1948.....	13,303	12,070	1,233	
1949.....	5,361	4,642	719	
Total.....	\$65,838	\$48,906	\$14,171	\$ 2,761

Relation of investment in plant facilities to net sales for the past 17 years is shown on chart at bottom of this page.





#### NEWARK BREWERY:

Construction of the Newark brewery will be financed by an unsecured loan which was negotiated in September directly with the Manufacturers Trust Company of New York and twelve participating banks for \$20,000,000 at  $2\frac{3}{4}\%$  interest per annum. This money will be borrowed as needed and interest paid only on borrowed funds.

There is a standby charge of  $\frac{1}{2}$  of 1% per annum on the amount of the commitment not utilized, but the Company reserves the right to cancel any portion of this commitment not needed; no standby charge will be paid on the cancelled portion. It is the intention to borrow only such funds as are needed to maintain a strong working capital position.

Loan is payable in eight annual installments of approximately \$2,500,000 in each of the years 1952 to 1959.

There are no dividend restrictions, but the Company has agreed to maintain at all times consolidated working capital equal to the amount of the indebtedness under this loan agreement.

Construction has started and completion scheduled for spring of 1951. A reproduction of architects' drawing appears on page nineteen.

#### EMPLOYEE RELATIONS:

New contracts negotiated in 1949, and increases granted to salaried employees will add in excess of \$2,000,000 to the annual wage and salary payments in 1950.

Effective January 1, 1950, the Company assumed entire cost of group insurance and welfare benefits for all employees. Heretofore the cost was shared by Company and employees. The retirement income plan inaugurated on November 1, 1947 remains on a contributory basis.

Benefits paid under the group insurance and welfare plan for the two policy years ending October 31, 1949 were:

	<u>No. of Claims</u>	<u>Benefits Paid</u>
Death claims.....	106	\$320,000
Accident and sickness.....	1,706	106,611
Medical care.....	1,235	21,438
Hospital.....	2,715	196,880
Surgical.....	2,110	94,086
Total.....	<u>7,872</u>	<u>\$739,015</u>

At the close of 1949 there were 189 former employees receiving an aggregate monthly income of \$12,299 under the retirement plan. Total retirement income payments to former employees since the inception of the plan, November 1, 1947, were \$243,649.

At December 31, 1949, the Company had 6,852 employees. The annual salaries and wages including paid vacations were \$29,178,178 . . . retirement and welfare benefits and Company's portion of payroll taxes were \$2,133,928, making a total payroll cost of \$31,312,106.

To provide jobs for these employees requires the purchase of expensive equipment and a large investment in tools (land, buildings and machines). The gross investment in plant at December 31, 1949 was \$71,210,329 which is equivalent to \$10,393 per employee.



#### THE FARMER PROSPERS:

\$20,000,000 farm products purchased each year.

Corn, about 5,000,000 bushels valued at \$7,000,000. After extracting corn oil and starch, we return to the farm, as a high protein feed, about 24% of the weight of corn as gluten feed and cake meal . . . 30,000 tons in 1949.

Molasses (produced from sugar cane), about 30,000 tons valued at \$500,000.

Malting Barley, about 2,250,000 bushels valued at \$4,000,000, and malt produced from malting barley about 2,000,000 bushels valued at \$3,000,000. Residuals produced from this grain are returned to the farmer as a high protein feed and are commented on later.

Rice, Anheuser-Busch is one of the few brewers using rice exclusively as an adjunct to barley malt; about 39,000 tons annually valued at \$5,000,000. In the process of cleaning and polishing rice for table use, many kernels are broken and it is these broken kernels that are known and sold as Brewers Rice to the brewers. Residuals from rice are an ingredient in brewers dried grains.

Brewery residuals returned to the farm as feed during 1949:

Brewers dried grains.....	22,600 tons
Barley screenings and No. 4 barley.....	3,000 tons
Malt sprouts.....	1,600 tons

#### 1950 PLANS:

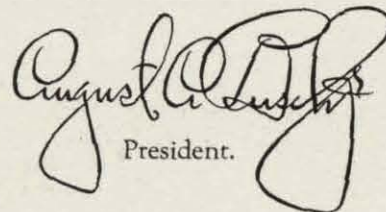
It is difficult to forecast the economic trend for 1950, but we are looking forward to continuance of favorable sales trends. Our 1949 beer volume was 4,526,000 barrels and the year 1950 is expected to exceed this by the increased capacity we will have this Spring. The Yeast-Malt-Corn Products division sales picture looks very favorable.

Vice President G. G. Kindervater, who has had many years of sales experience with this Company, now heads the Brewery Sales Division, having succeeded Mr. J. J. Carroll, who passed away November 10, 1949.

By amendment of the Company's by-laws on December 15, 1949 the office of Chairman of the Board was created, and in recognition of many years of valuable service as an officer and director, Mr. Eberhard Anheuser was given the honor of becoming the first Chairman of the Board of this corporation.

On behalf of the officers and directors, I wish to express appreciation for the splendid cooperation of our employees during the past year.

Respectfully submitted,

  
President.

St. Louis, Missouri  
March 1, 1950





BUDWEISER . . . There's nothing like it . . . absolutely nothing. Budweiser lager beer is available in 12-ounce returnable bottles, 12 and 32-ounce one-trip bottles, 12-ounce cans, and in draught. Michelob, the "King of Draught Beers," is available in draught only.

A large variety of packages for the 12-ounce bottled and canned beer is available for customer convenience, ranging from 6-bottle or 6-can handy carryout, and 12-bottle twin pack, to the conventional 24-bottle package. 32-ounce bottle is available in cartons of 12 bottles.

To meet the demand for Budweiser lager beer, construction of a 1,000,000 barrel plant is now under way at Newark, New Jersey. This new plant, when completed in the Spring of 1951, will increase our total annual output to 6,000,000 barrels.



**ANHEUSER-BUSCH, INC.**  
**ST. LOUIS, MISSOURI**



While beer is the major product of Anheuser-Busch, an enviable industry position in diversification dates back to the prohibition era when the company sought to utilize its

**BUDWEISER YEAST**—First produced in St. Louis in 1926, a second plant completed in Old Bridge, New Jersey in 1931. Product enjoys a high ratio of acceptance by the baking industry in the territory east of the Rocky Mountains . . . second largest producer of bakers compressed yeast in the world.

**BUD BRAND FROZEN EGGS**—Exceptionally high quality product; sold to the baking and food industries. Added to the line in 1947; present volume makes Anheuser-Busch one of the important sources of supply.

**BUDWEISER MALT SYRUP AND DRI-MALT**—Dependable and uniform malt products; sold to baking and pharmaceutical industries . . . first produced in 1922.

**A-B BRAND CORN SYRUP**—A crystal clear viscous product, sometimes known as glucose, used by the candy and table syrup industries. This was the initial product produced upon completion of our corn refining plant in 1923.

**A-B STARCHES**—Pure Food, Powdered, Pearl, Chlorinated and Thin Boiling; used extensively by the textile and paper industries, and food processors. First produced in 1937 and present expansion of facilities will double capacity.

**A-B BRAND DEXTRINES**—Unique in their highly specialized field for use by adhesive, textile and paper industries. First produced in 1938 and current expansion of facilities will treble capacity.

**CORN RESIDUALS**—Unrefined corn oil, sold to refiners for use in salad dressings and vegetable cooking oils, and gluten feed and cake meal for animal feed industry.





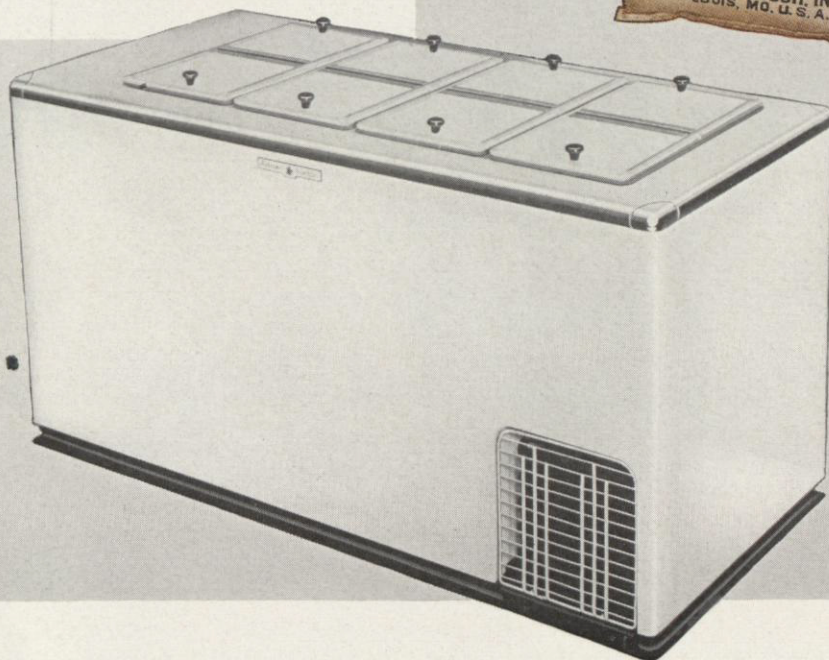
ion is also enjoyed in the many product lines portrayed on this page. This  
lize its vast plant and facilities in the manufacture of products other than beer.

**TABLE SYRUPS**—Bud Waffle, Bud Crystal White, Bud Golden and Delta Syrups are sold through grocery stores for home consumption throughout eight Southern states . . . packed in New Orleans, Louisiana. From a small beginning in 1935, now considered leading producer in the area served.

**PHARMACEUTICAL YEASTS**—Dried yeast and derivatives are special yeast products sold to the pharmaceutical, food and feed industries . . . first produced 20 years ago and today we are the foremost producer of dried non-fermentable yeasts and yeast extractives in the country. Dried yeast is the richest natural source of B vitamins and proteins.

**REFRIGERATED CABINETS**—Variety of models and sizes, manufactured for the ice cream industry; recently glass top models for merchandising and storing frozen foods in grocery stores and markets have been added.

This division had its beginning as a wagon shop in the days when beer was delivered by drays. When motor vehicles replaced drays, its operations were changed to truck body building, and the first refrigerated truck body was built about 1925. Between 1925 and 1930 salt and ice cabinets were produced. Since 1930, when the first mechanically refrigerated cabinet was made, production continued until the event of World War II. Throughout the war years, this division was engaged in the production of welded and wood assemblies for Army and Navy aircraft, sheet metal parts for field kitchens, and machining gun turrets. In 1946 the company reconverted to refrigerated cabinets with greatly expanded capacity.





**DRAUGHT BEERS**



**Budweiser®**

**Michelob®**



**ANHEUSER-BUSCH, INC.**



**ST. LOUIS, MISSOURI**



HASKINS & SELLS  
CERTIFIED PUBLIC ACCOUNTANTS

418 OLIVE STREET  
SAINT LOUIS 2

### ACCOUNTANTS' CERTIFICATE

ANHEUSER-BUSCH, INCORPORATED:

We have examined the consolidated balance sheet of Anheuser-Busch, Incorporated and its subsidiary companies as of December 31, 1949 and the related summaries of consolidated income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and summaries of consolidated income and surplus present fairly the financial position of the Companies at December 31, 1949 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the changes in practice outlined in Note 1 to the balance sheet which we approve.

*Haskins & Sells*

February 22, 1950.



# ANHEUSER-BUSCH, INCORPORATED

## Consolidated Balance Sheet, December

ASSETS	... December 31 ...		Increase
	1949	1948	Decrease
CURRENT ASSETS:			
Cash.....	\$ 6,054,536	\$ 6,933,935	\$ 879,399
United States Government securities—at cost (in addition to those deducted from Federal taxes: 1949, \$7,435,000; 1948, \$3,496,000).....	5,979,600	8,023,600	2,044,000
Other securities.....	313,926	273,074	40,852
Accounts and notes receivable:			
Trade (less reserves: 1949, \$341,727; 1948, \$323,406).....	4,786,886	4,770,799	16,087
Claims.....	480,246	281,154	199,092
Other.....	304,956	579,920	274,964
Accrued interest receivable.....	209,563	149,746	59,817
Revenue stamps.....	2,178,524	1,161,651	1,016,873
Inventories [finished products and products in process (except beer) at approximate cost; materials and supplies at lower of average cost or market; and raw materials, beer in process, and bottles at cost determined under the "last-in, first-out" method]	17,655,740	16,806,498	849,242
Total current assets.....	<u>\$37,963,977</u>	<u>\$38,980,377</u>	<u>\$ 1,016,400</u>
CASH SURRENDER VALUE OF INSURANCE ON LIFE OF OFFICER.....			
	\$ 43,272		\$ 43,272
PROPERTY:			
Plant and branch property (less reserve for depreciation: 1949, \$21,097,125; 1948, \$21,067,433)—at cost in 1949; at appraised values in 1948.....	\$37,104,254	\$30,814,429	\$ 6,289,825
Construction in progress (including in 1948 contracts for equipment of \$5,950,759).....	3,681,951	10,570,820	6,888,869
Real estate, other than plant property—at cost (less reserve for depreciation: 1949, \$747,513; 1948, \$843,749).....	1,214,941	1,436,025	221,084
Cooperage and drums—at cost (less reserve for depreciation: 1949, \$3,301,132; 1948, \$2,285,819).....	4,063,413	4,377,810	314,397
Net property.....	<u>\$46,064,559</u>	<u>\$47,199,084</u>	<u>\$ 1,134,525</u>
DEFERRED CHARGES.....	\$ 2,024,110	\$ 1,068,881	\$ 955,229
TOTAL.....	<u>\$86,095,918</u>	<u>\$87,248,342</u>	<u>\$ 1,152,424</u>



## AND SUBSIDIARY COMPANIES

31, 1949 and 1948, and Comparison

	... December 31 ...		Increase Decrease
	1949	1948	
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable—trade.....	\$ 3,685,426	\$ 2,731,684	\$ 953,742
Contractual obligations for equipment and construction payable (see Note 1).....		5,950,759	<b>5,950,759</b>
Amounts refundable on returnable containers.....	86,716	64,618	22,098
Accruals:			
Salaries and wages.....	1,029,953	1,036,846	<b>6,893</b>
Miscellaneous taxes and expenses.....	381,446	387,866	<b>6,420</b>
Federal income taxes—estimated (after deduction of United States Treasury tax notes: 1949, \$7,435,000; 1948, \$3,496,000).....	1,945,000	5,204,000	<b>3,259,000</b>
State income taxes—estimated.....	315,000	240,000	75,000
Total current liabilities.....	<u>\$ 7,443,541</u>	<u>\$15,615,773</u>	<u><b>\$ 8,172,232</b></u>
<b>CAPITAL STOCK—Authorized and outstanding, 4,500,000 shares of \$4 each.....</b>			
	<u>\$18,000,000</u>	<u>\$18,000,000</u>	
<b>SURPLUS (per accompanying statement):</b>			
Arising from appreciation of plant property as of January 1, 1919 (see Note 1).....		\$ 4,777,663	<b>\$ 4,777,663</b>
Earned.....	<u>\$60,652,377</u>	<u>48,854,906</u>	<u>11,797,471</u>
Total surplus.....	<u>\$60,652,377</u>	<u>\$53,632,569</u>	<u>\$ 7,019,808</u>
<b>NOTES:</b>			
1. In accordance with a resolution of the Board of Directors, the property and related reserve for depreciation accounts have been restated on the basis of cost as of January 1, 1949, and surplus arising from appreciation of property has been eliminated. The Board also authorized a change in the accounting policy with respect to contractual obligations for equipment and construction. Heretofore, such obligations were entered in the accounts when contracts were signed but under the new policy, liabilities with respect to equipment and construction will be recorded in the same manner as other accounts payable; namely, upon receipt and approval of invoices. The effect of these changes upon the net income of the companies is not material.			
In addition to the foregoing, certain reclassifications were made in the 1948 balance sheet to conform with classifications used in the 1949 balance sheet.			
2. Contractual obligations for equipment and construction amounted to \$2,308,492 at December 31, 1949.			
<b>TOTAL.....</b>	<u><u>\$86,095,918</u></u>	<u><u>\$87,248,342</u></u>	<u><u><b>\$ 1,152,424</b></u></u>



# ANHEUSER-BUSCH, INCORPORATED AND SUBSIDIARY COMPANIES

## Summary of Consolidated Income for the Years Ended December 31, 1949 and 1948, and Comparison

	.. Year ended December 31 ..		Increase Decrease
	1949	1948	
NET SALES.....	\$135,304,255	\$122,848,790	\$ 12,455,465
COST OF SALES, AND ADVERTISING, SELLING, GENERAL AND ADMINISTRATIVE, RESEARCH AND DEVELOPMENT, AND EM- PLOYEES' RETIREMENT AND GROUP BENEFITS EXPENSES (in- cluding provision for depreciation: 1949, \$3,343,994; 1948, \$2,716,099).....	111,509,320	101,497,893	10,011,427
PROFIT FROM OPERATIONS.....	\$ 23,794,935	\$ 21,350,897	\$ 2,444,038
OTHER INCOME:			
Interest earned and dividends received.....	\$ 180,823	\$ 178,461	\$ 2,362
Cash discounts on purchases.....	257,114	205,750	51,364
Income from rental property—net.....	168,809	154,897	13,912
Miscellaneous.....	164,714	91,201	73,513
Total.....	\$ 771,460	\$ 630,309	\$ 141,151
GROSS INCOME.....	\$ 24,566,395	\$ 21,981,206	\$ 2,585,189
INCOME CHARGES:			
Loss from sales or abandonment of property, etc.....	\$ 479,943	\$ 70,615	\$ 550,558
Loss on abandonment of construction projects.....	216,880		216,880
Miscellaneous.....	89,142	52,749	36,393
Total.....	\$ 785,965	\$ 17,866	\$ 803,831
NET INCOME BEFORE PROVISION FOR INCOME TAXES.....	\$ 23,780,430	\$ 21,999,072	\$ 1,781,358
PROVISION FOR INCOME TAXES—Estimated.....	9,270,678	8,539,264	731,414
NET INCOME FOR THE YEAR.....	\$ 14,509,752	\$ 13,459,808	\$ 1,049,944

## Summary of Consolidated Surplus for the Year Ended December 31, 1949

	Earned Surplus	Surplus Arising from Appreciation of Plant Property as of Jan. 1, 1919
BALANCE, JANUARY 1, 1949.....	\$48,854,906	\$ 4,777,663
ADDITIONS:		
Net income for the year.....	14,509,752	
Reserve for depreciation applicable to appreciation of property, reversed in connection with restatement of property accounts on the basis of cost.....	1,787,719	
Total.....	\$65,152,377	\$ 4,777,663
DEDUCTIONS:		
Dividends paid in cash.....	\$ 4,500,000	
Surplus arising from appreciation of property eliminated in connection with the restatement of the property accounts on the basis of cost (see balance sheet Note 1).....		\$ 4,777,663
Total.....	\$ 4,500,000	\$ 4,777,663
BALANCE, DECEMBER 31, 1949.....	\$60,652,377	

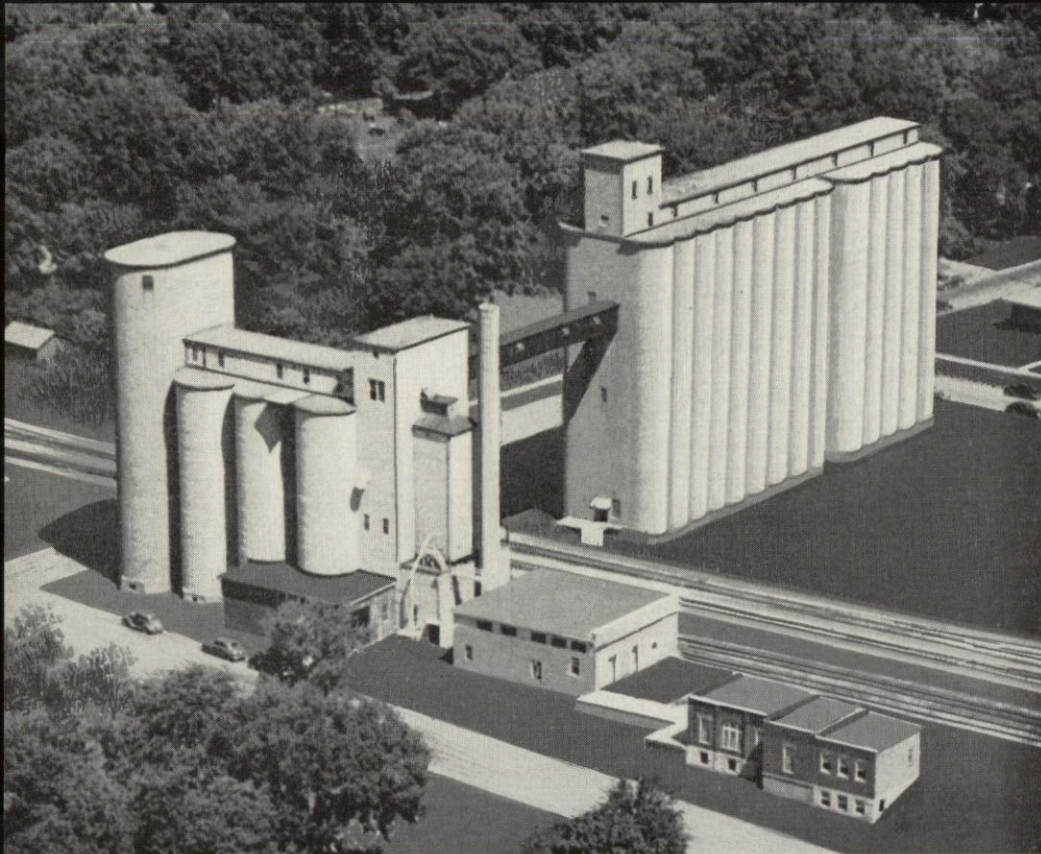


## RECORD OF SALES, INCOME AND DIVIDENDS

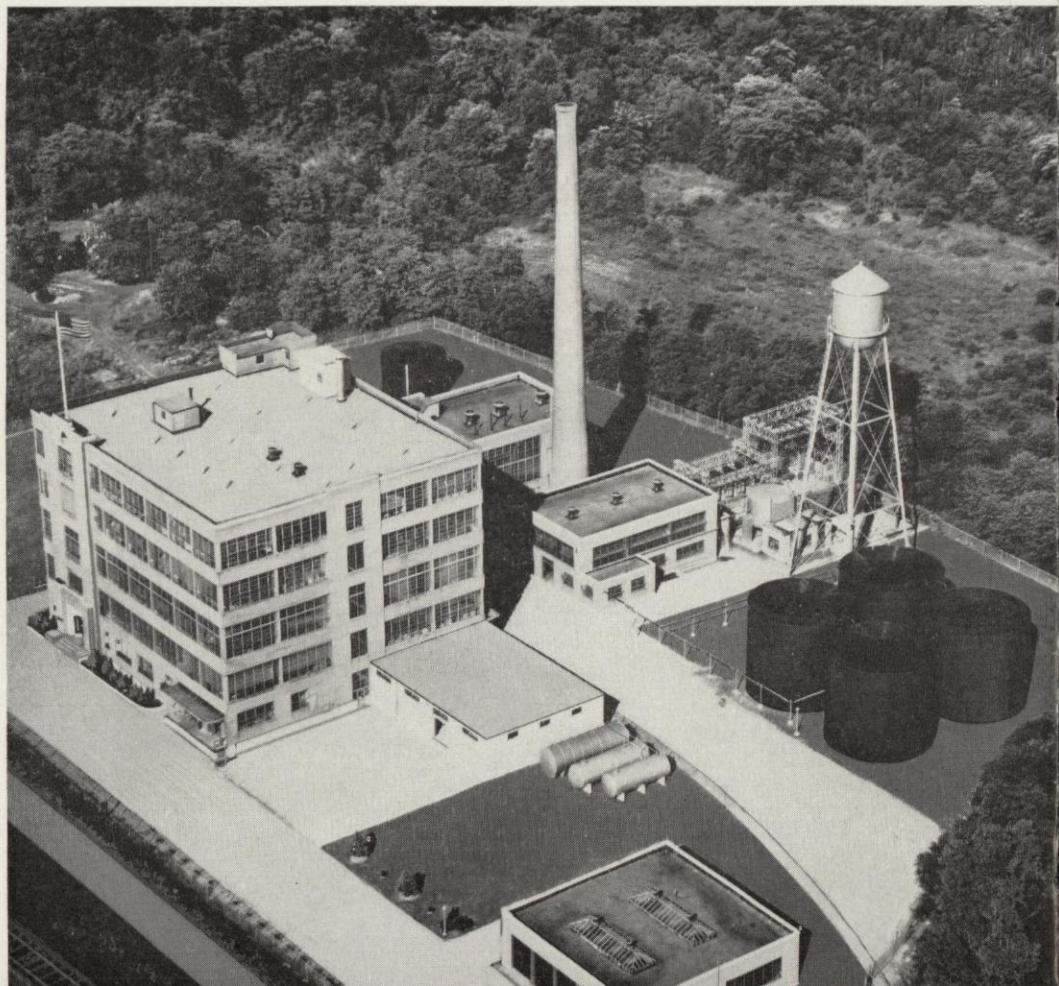
Sales, income, dividends, and income reinvested in the business since the relegalization of beer are shown in the following table.

Year	Sales Including Beer Taxes	Net Sales	Income Before Taxes	Income After Taxes	Dividends Paid	Income Reinvested
1933.....	\$ 18,113,864	\$ 15,049,833	\$ 457,251	\$ 325,529	\$ 1,347,017	\$ <b>1,021,488</b>
1934.....	22,578,474	16,843,719	1,083,704	907,767	180,000	727,767
1935.....	23,244,104	17,223,306	1,049,258	891,918	405,000	486,918
1936.....	28,351,337	21,150,154	3,715,984	3,041,653	2,160,000	881,653
1937.....	42,919,623	33,311,896	5,771,871	4,164,245	1,440,000	2,724,245
1938.....	46,672,343	35,803,704	6,773,409	5,445,867	1,440,000	4,005,867
1939.....	51,454,263	39,397,379	8,667,745	7,013,250	3,150,000	3,863,250
1940.....	57,062,941	42,859,413	8,624,393	6,407,883	3,600,000	2,807,883
1941.....	75,042,736	55,945,667	12,774,685	6,780,492	4,500,000	2,280,492
1942.....	90,259,527	68,009,070	15,744,654	6,439,818	3,375,000	3,064,818
1943.....	100,611,209	74,752,235	14,614,373	6,081,789	4,275,000	1,806,789
1944.....	107,933,407	76,668,879	13,755,798	5,639,253	3,600,000	2,039,253
1945.....	105,330,395	76,153,543	12,726,620	5,613,605	3,600,000	2,013,605
1946.....	102,452,237	75,229,683	13,814,970	8,461,311	4,500,000	3,961,311
1947.....	137,924,432	104,401,628	16,221,459	9,883,845	5,400,000	4,483,845
1948.....	161,456,338	122,848,790	21,999,072	13,459,808	4,500,000	8,959,808
1949.....	179,050,090	135,304,255	23,780,430	14,509,752	4,500,000	10,009,752



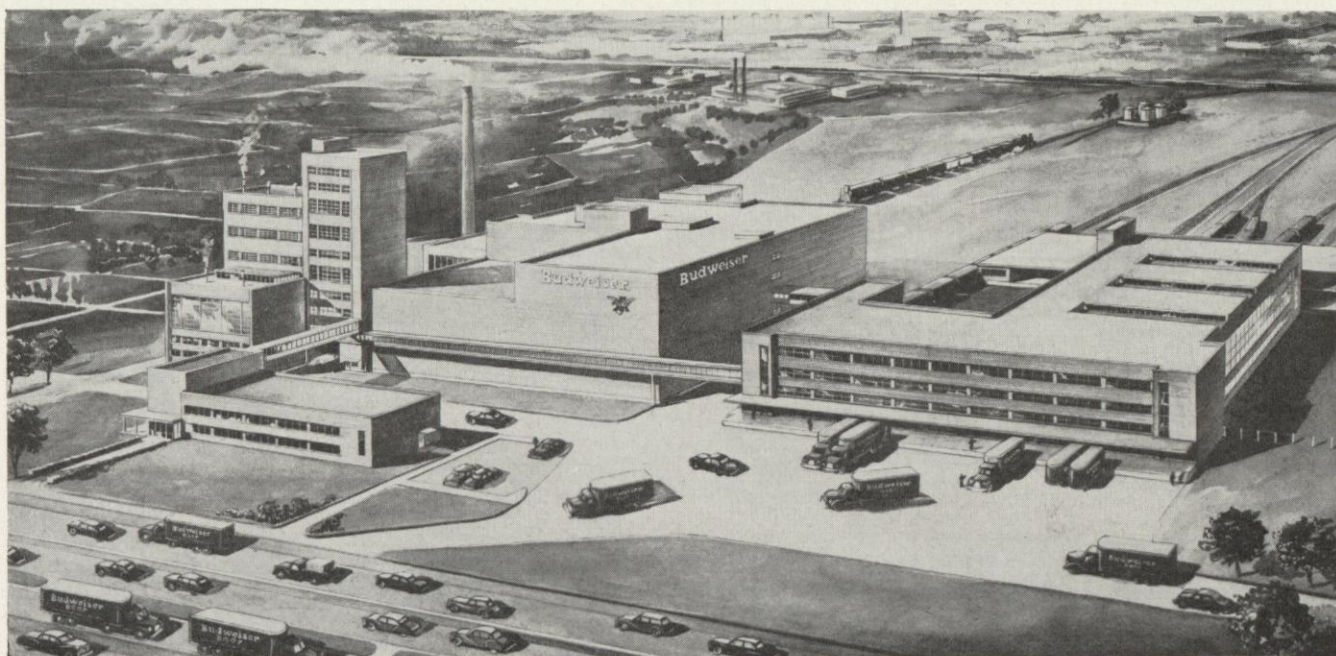


Grain Elevators  
Springfield, Missouri  
Capacity 600,000 bushels



Yeast Plant No. 2  
Old Bridge, New Jersey





Ground was broken on February 13, 1950 for the erection of our No. 2 Home of Budweiser at Newark, New Jersey. Plans for completion of this vast project contemplate shipment of beer from this brewery about May 1951.

The plant will have an initial capacity of 1,000,000 barrels annually. The 51-acre tract across the highway from the Newark airport will permit erection of buildings to treble the initial output.

Erection of this plant had to be deferred until the Port of New York Authority, which operates the Newark airport, gave assurance that airport expansion and regulations would not interfere with the operation of the brewery or result in future condemnation of the brewery property. That assurance was given in September through the signing of a supplement to the Port of New York Authority's 50-year lease on the airport.

The decision to build was made after exhaustive investigations of many existing breweries. In all cases a study of the plants, their physical layout, and the type of equipment indicated a rehabilitation program of about 80% to convert the plants to Budweiser specifications . . . practically an entire reconstruction and re-equipment project. The purchase price of a brewery plus rehabilitation costs and the time required to complete conversion of an existing plant was about the same as building new.





Anheuser-Busch properties consist of 90 separate buildings covering about 138 acres, with about 5,000,000 square feet of floor space.

Budweiser and Michelob beers are made in St. Louis only but branches are maintained in New York, Boston, Baltimore, Kearny, N. J., Westbury, N. Y., Washington, D. C., Chicago, Detroit, St. Paul, St. Joseph, Mo., Houston, Denver and Los Angeles.

Yeast is produced at St. Louis and Old Bridge, N. J. which is about 40 miles west of New York City.

Table syrups are blended and packaged at New Orleans. All other products produced at St. Louis.

St. Louis power plant can generate electricity for the household needs of a city of 150,000 people, and the water works has a daily capacity of 6,000,000 gallons—enough to supply a city of 60,000 people.

Trackage facilities permit placement of 163 freight cars at one time and the holding tracks will accommodate an additional 122 freight cars.



1852

